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NSC BRIEFING

27 May 1954

HONDURAS ASKS US AID AGAINST COMMUNIST
THREAT

I. Honduras says cannot guarantee life
and property against "international Com-
munism." Note asks US to:

- A. Cooperate with Honduras, under
Rio Treaty, "in facing dangers"
- B. Dispatch two warships to stand
off Honduran north coast.
- C. Detain ships bringing Orbit arms
to Guatemala.

II. Honduras sees threat as both internal
and from Guatemala.

A. Internally Communists exploiting
general strike.

1. Communists seek to control
35,000 employees of two US-owned
fruit companies etc.

2. Overt strike leaders domina-
ted by hidden Communist leaders.

OSD & DOS review(s)
completed.

OSD REVIEW COMPLETE

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3. Communists sabotaging non-Communist attempt at settlement with Standard Fruit Company.

4. Honduran Communist Party reportedly being organized at Progreso, striker stronghold.

5. Communists oppose government participation in United Fruit negotiations.

6. Strikers hitherto well disciplined, but situation explosive.

a. Strikers said to be armed.

b. Strikers becoming defiant of government.

c. Government probably could not enforce martial law.

7. Ambassador Willauer believes Communists want strong government intervention for propaganda

exploitation.

B. Honduras fears Guatemalan intervention.

1. Alarmed by 15 May arms shipment to Guatemala.

2. Guatemalan troops reported at border by Hondurans.

a. Guatemalans claim troops pursuing railroad saboteurs near border.

b. Overt Guatemalan invasion unlikely.

3. Greater danger is Guatemala's capacity to arm Honduran strikers.

a. Weapons in hands of Honduran strikers before 15 May said to be Guatemalan.

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III. Viet Minh redeploying fast *from D.B.P.*

- A. 25 May Division 351 near Tuyen Quang base.
- B. Other divisions well east Dien Bien Phu, heading bases north, south delta.
- C. Early June arrival indicated rather than 20 June.
- D. Enemy intentions unclear.

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2. Consensus observers is: enemy decision will be on basis political strategy Geneva, assessment French strength, morale delta.

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IV. O'Daniel estimates if enemy attacks next 30 days, French could only hold Haiphong beachhead, without substantial reinforcement.

V. French trying strengthen delta.

A. Redeploying French forces ^{There from} else-
where Indochina:

1. All or most 15 French battalions ^w Laos to move ⁿ to Delta.
2. Five from other areas already moved.
3. Three now on water, one goes to delta, 2 to Saigon area.

B. Plans for reinforcement from

overseas. ^{pending decision after}
^{Ely's return.}

1. Eight battalions (5,000 men) to be sent quickly ^{from North Africa or France}
2. Decision on 3 further divisions awaiting General Ely's return.

Phase ①

Phase ②

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3. Paris may call October class
in July, to release regulars
for Indochina. *assuming Send
drafters.*

C. Study reduction Tonkin perimeter.

1. One plan: withdraw north Red
River-Bamboo Canal.
2. Another plan: hold Hanoi-
Haiphong corridor.

D. Such contraction:

1. Means abandonment Catholics
south delta.
2. May account rumors evacuation
French dependents.

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VII. Political field. Many reports continuing governmental deterioration, revolt, civil war, rioting. Former premier described present situation as a "complete crisis of confidence."

VIII. Cochinchina. Gangster Binh Xuyen about wrecked security Saigon.

- A. Hundreds police resigned disgust. Law enforcement "dropped to nothing."
- B. Binh Xuyen to support cab drivers overcharging passengers: fears of antiwhite rioting.
- C. Binh Xuyen, with police arsenal, may well battle local Vietnam army units; trying to establish autonomous position. Also may fight Hoa Hao, Cao Dai.

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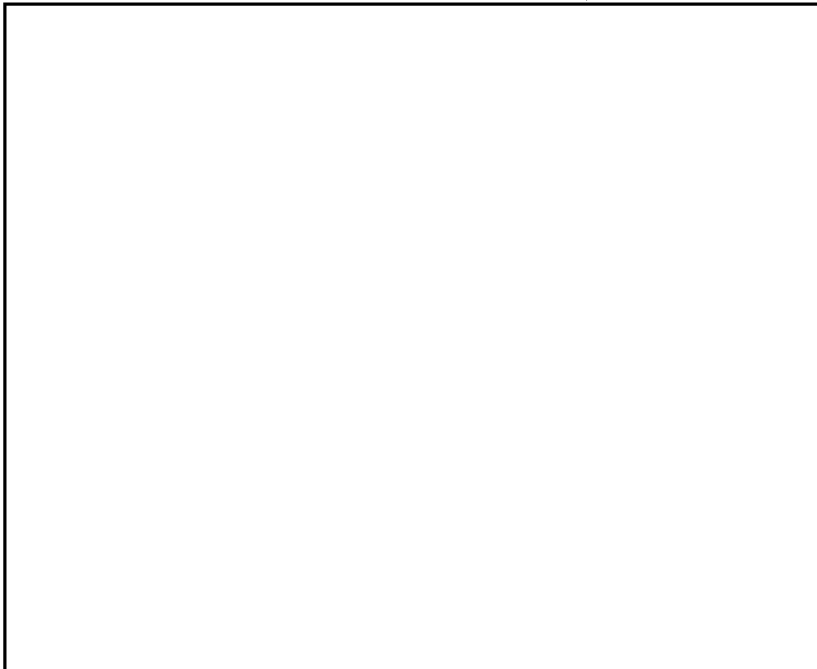
B. Prince Petsarath is one of three half-

brothers, all cousins Laos King.

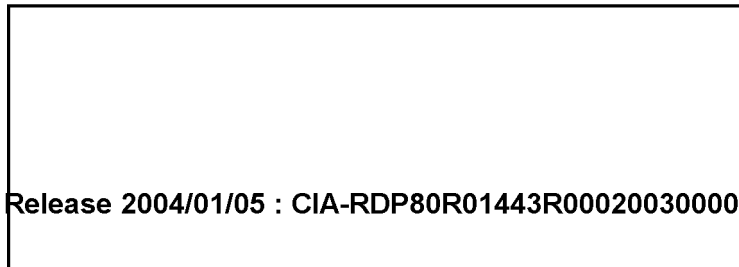
Half-brother #1 (Souvanna Phouma) is

Laos Premier: #2 (Souphanou Vong) is

rebel head Viet Minh shadow government.



E. Petsarath very popular: if merely joins
present government, could strengthen it.



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D. Saigon press indulged unprecedented anti-US campaign; speaking US "imperialism," Soviet "benevolence." Shows Viet Minh penetration.

E. Hinh believed planning revolt against Bao Dai. Only awaiting fall Tonkin where his popular opposition located.

IX. Central Vietnam. Picture "precarious and discouraging."

A. Security about non-existent.

B. Local militia rather shoot each other than Viet Minh.

C. Peasants streaming into Hue, many Viet Minh.

X Laos. Soon to be stripped French troops, possibly faces coup.